RAJYA SABHA

Tuesday, the 22nd December, 1998/1 Pausa, 1920 (Saka)

The House met at eleven of the clock, Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

*321. *[The questioner (Dr. D. Venkateshwar Rao) was absent. For answer,* vide *col. 35 infra.]*

*322. *[The questioner (Shri K.M. Khan) was absent. For answer,* vide *col. 37 infra.]*

*323. *[The questioner (Shri Vijay J. Darda) was absent. For answer,* vide *col. 38 infra.]*

*324. *[The questioner (Shri Janardhana Poojary) was absent. For answer,* vide *col. 39 infra.]*

*325. *[The questioner (Shri Chimanbhai Haribhai Shukla) was absent. For answer,* vide *col. 39 infra.)*

*326. *[The questioner. (Shri Barjinder Singh Hamdard) was absent. For answer,* vide *col. 41 infra.]*

*327. *[The questioner (Shri Dipankar Mukherjee) was absent. For answer,* vide *col. 44 infra.]*

*328. *[The questioner (Shri Jayant Kumar Malhoutra) was absent. For answer, vide col. 44 infra.]*

Government nominees on the Board of Shaw Wallace Company

*329 SHRI JIBON ROY:
SHRI CO. POULOSE: †

Will the Minister.of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to refer to answer to Unstarred Question 1036 given in the Rajya Sabha on 8th December, 1998 and state:

(a) whether the Calcutta High Court directed the Company Law Board to nominate four Government Directors on the Shaw Wallace Company Board;

(b) if so, the names of. the Directors and what functions have been allotted to the Board;

(c) whether the Employees Federation has drawn the attention of Government to serious cases of corruption in the Company; and

(d) the steps taken by Government thereon?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI M. THAMBI DURAI): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) No Sir.

(b) Does not arise.

(c) and (d) The petition filed by All India Shaw Wallace Employees' Federation and Others containing allegations of mismanagement against the management of Shaw Wallace & Company Ltd. and the application filed by the Department of Company Affairs u/s 408 of the Companies Act, 1956 were decided by the Company Law Board on 27.07.98 directing that the total number of Directors on the Board of Shaw Wallace & Company Ltd. should be 9. Out of that two Directors have been appointed by the Central Government and two Directors are Company Law Board nominees, thus, in all, 4 independent Directors have been appointed on the Board of Shaw Wallace & Company Ltd. as per orders of the Company Law Board.

MR. CHAIRMAN: Mr. Poulose. First supplementary, please.

MR. CO. POULOSE: I don't have any supplementary to put, Sir.

SHRI GURUDAS GAS GUPTA: Sir, there were a number of discussions in the

†The Question was actually asked on the floor of the House by Shri CO. Poulose.

House on the functioning of Shaw Wallace. You will kindly remember that during the last session we had a categorical answer from he hon. Finance Minister that the behaviour of those Government Directors, who arc there on the Board of Shaw Wallace, would be seriously looked into. There was also an assurance from the Government that the Government will take action against the Board of this Company, which has been found to be violating with impunity many regulations, including indulging, in diversion of funds and committing a series of illegitimacies resulting in the closing down of the factory and throwing thousands of workers out of job. Sir, I would most humbly like to know from the hon. Minister (a) what punitive action has been taken against the delinquent members of the Board; (b) has the Government looked into the behaviour of the Government Directors and (c) in what way the Government would try to bring the Board in line with the law of the country.

SHRI M. THAMBI DURAI: Sir, the Company Law Board has already taken action.

SHRI GURUDAS DAS GUPTA: What is that action?

SHRI M. THAMBI DURAI: Two Directors have already been appointed.

SHRI GURUDAS DAS GUPTA: May I point out that the appointment of two Directors does not give them majority? It does not give them any leverage on the Board. Does this action of the Company Law Board amount to taking enough measures to control the Board? This is a management which has been indulging in illegitimacy, with impunity. The appointment of two members does not mean anything. Already enough powers are vested with the Government and with the Company Law Board. If the Company Law Board does not do anything, should the Government not approach the appropriate court for redressal of this grievance? This company is on the verge of being closed down.

SHRI M. THAMBI DURAI: Mr. Chairman, Sir, we are taking all the necessary steps which the hon. Member has suggested. The management has already gone to the court against our appointment of members. They have challenged it before the court. Meanwhile, we will explore all the avenues as to how to implement the welfare schemes for the workers and protect the investors' interests.

*330 *[The questioner (Shri Bahgaru Laxman) was absent. For answer, vide col. 46 infra.]*

ऋण चूककर्ताओं के विरूद्ध कार्रवाई

*331. **श्री कपिल सिब्बल**: †
श्री राज मोहिन्दर सिंह:

क्या वित्त मंत्री यह बताने की कृपा बताने की कृपा करेंगे कि:

(क) क्या सरकार का ध्यान 27 नवम्बर, 1998 के "बिजनस स्टैंडर्ड" में "लोन डिफाल्टर टू दी ट्रेवड आन लाइन" शीर्षक के अंतर्गत प्रकाशित समाचार की ओर दिलाया गया है;

(ख) यदि हां, तो क्या सरकार निर्धारित अवधि में ऋणों को वापस न करने वाले व्यक्तीयों के विरूद्ध कोई नीति अपनाने का विचार रखती है, ताकि उन्हें और ऋण लेने से रोका जा सके; और

(ग) यदि हां, तो सरकार द्वारा इस संबंध में की जा रही कार्रवाई का ब्यौरा क्या है?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) A statement is laid on the Table of the House.

†सभा में यह प्रश्न श्री कपिल सिब्बल द्वारा पूछा गया ।